

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

9 8 — 2 0

2. STATE:

OKLAHOMA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

07-01-98

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 U.S.C. Section 1396(a)(13)(A)

7. FEDERAL BUDGET IMPACT:

a. FFY 98 \$ 1,406,055

b. FFY 99 \$ 5,650,543

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-D, Page 1.6

Attachment 4.19-D, Page 1e

Attachment 4.19-D, Page 2.4c

Attachment 4.19-D, Page 2.10

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

New page

Same Page, Revised 2/2/95, TN#95-04

New Page

New Page

10. SUBJECT OF AMENDMENT:

Change in reimbursement methodologies for nursing facilities and intermediate care
facilities for the mentally retarded.

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ OTHER, AS SPECIFIED:☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Michael Fogarty

14. TITLE:

Chief Executive Officer

15. DATE SUBMITTED:

July 27, 2000

16. RETURN TO:

Oklahoma Health Care Authority

Attn: Billie Wright

4545 N. Lincoln, Suite 124

Oklahoma City, OK 73105

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

September 30, 1998

18. DATE APPROVED:

September 29, 2000

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

July 1, 1998

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Calvin G. Cline

22. TITLE: Associate Regional Administrator
Division of Medicaid and State Operations

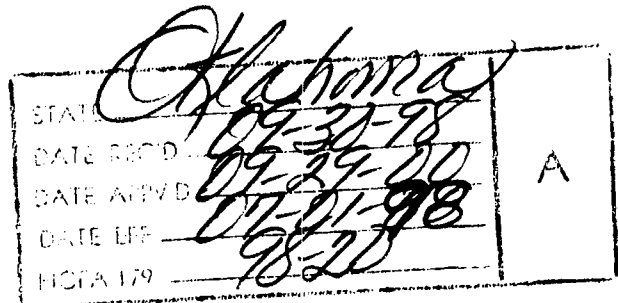
23. REMARKS:

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
FOR NURSING FACILITIES

7. RATE ADJUSTMENTS BETWEEN REBASING PERIODS

- A. In developing the SFY 1999 rate, OHCA used the SFY98 statewide facility base rate as described in Attachment 4.19D page 1.4. For purposes of this amendment, the statewide facility base rate is \$61.05.
- B. The statewide facility base rate was multiplied by the DRI nursing home marketbasket index, as published for the fourth calendar quarter of 1997 to account for inflation of 3%.
- C. The inflation-adjusted rate was multiplied by factors of .531 and .0105. The .531 factor is derived from the non-capital portion of the statewide facility base rate for nursing facilities allocated to patient care and food. A second adjustment factor of .0105 was used to offset the second minimum wage increase and/or change in Medicaid utilization (resident acuity).
- D. The rate is calculated as follows:

SFY98 Rate		\$61.05	
Inflation Adjustment Factor	x	1.03	
Rate Adjusted to SFY99			62.88
Adjusted Rate		62.88	
Patient Care & Food Weight	x	.531	
Patient Care & Food Component		33.39	
Other Adjustment factor	x	.0105	
Other Adjustment			.35
Total Rate			\$ 63.23



TN # 98-20 Approval Date 09-29-98 Effective Date 07-01-98

Supersedes

TN # **SUPERSEDES: NONE - NEW PAGE**

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
FOR NURSING FACILITIES

Adjustments - The add-on rate will be inflated annually effective July 1 by the fourth quarter publication of the Data Resources Inc., (DRI) Nursing Facility Marketbasket Index's forecast for the midpoint of the State fiscal year.

For purposes of this amendment, effective July 1, 1998 the SFY 1998 rate was adjusted by 2 x the DRI factor. (6%)

STATE	<i>Oklahoma</i>	A
DATE RECD	<i>07-30-98</i>	
DATE APVD	<i>07-29-98</i>	
DATE OF	<i>07-01-98</i>	
HCFA 179	<i>98-20</i>	

TN # *98-20* Approval Date *07-29-98* Effective Date *07-01-98* Revised 07-01-98

Supersedes
TN # *95-84*

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED

6. RATE ADJUSTMENTS BETWEEN REBASING PERIODS

- A. In developing the SFY 1999 rate, OHCA used the SFY98 statewide facility base rate as described in Attachment 4.19D page 2.4. For purposes of this amendment, the statewide facility base rate is \$74.16
- B. The statewide facility base rate was multiplied by the DRI nursing home marketbasket index, as published for the fourth calendar quarter of 1997 to account for inflation of 3%.
- C. The inflation-adjusted rate was multiplied by factors of .531 and .0105. The .531 factor is derived from the non-capital portion of the statewide facility base rate for nursing facilities allocated to patient care and food. A second adjustment factor of .0105 was used to offset the second minimum wage increase and/or change in Medicaid utilization (resident acuity).
- D. The rate is calculated as follows:

SFY98 Rate		\$74.16	
Inflation Adjustment Factor	x	1.03	
Rate Adjusted to SFY99			76.38
Adjusted Rate		76.38	
Patient Care & Food Weight	x	.531	
Other Adjustment factor	x	.0105	
Other Adjustment			.43
Total Rate			\$ 76.81

STATE	<i>Oklahoma</i>	A
DATE REC'D	<i>09-30-98</i>	
DATE APPV'D	<i>09-29-98</i>	
DATE EFF.	<i>07-01-98</i>	
HCFA 179	<i>98-20</i>	

TN # *98-20* Approval Date *09-29-98* Effective Date *07-01-98*

Supersedes

TN # **SUPERSEDES: NONE - NEW PAGE**

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED

6. RATE ADJUSTMENTS BETWEEN REBASING PERIODS

- A. In developing the SFY 1999 rate, OHCA used the SFY98 statewide facility base rate as described in Attachment 4.19D page 2.9. For purposes of this amendment, the statewide facility base rate is \$106.02.
- B. The statewide facility base rate was multiplied by the DRI nursing home marketbasket index, as published for the fourth calendar quarter of 1997 to account for inflation of 3%.
- C. The inflation-adjusted rate was multiplied by factors of .531 and .0105. The .531 factor is derived from the non-capital portion of the statewide facility base rate for nursing facilities allocated to patient care and food. A second adjustment factor of .0105 was used to offset the second minimum wage increase and/or change in Medicaid utilization (resident acuity).
- D. The rate is calculated as follows:

SFY98 Rate		\$ 106.02	
Inflation Adjustment Factor	x	1.03	
Rate Adjusted to SFY99			109.20
Adjusted Rate		109.20	
Patient Care & Food Weight	x	.531	
Other Adjustment factor	x	.0105	
Other Adjustment			.60
Total Rate			\$ 109.80

STATE	<i>Oklahoma</i>	A
DATE RECD	<i>07-30-98</i>	
DATE APPROVD	<i>07-29-98</i>	
DATE EFF	<i>07-01-98</i>	
HCFA 179	<i>98-20</i>	

TN # *98-20* Approval Date *07-29-98* Effective Date *07-01-98*

Supersedes

TN # **SUPERSEDES: NONE - NEW PAGE**